

Sixty-fourth
Legislative Assembly
of North Dakota

HOUSE BILL NO. 1231

Introduced by

Representatives Karls, Beadle, Oversen

Senators Dotzenrod, Krebsbach, Laffen

1 A BILL for an Act to amend and reenact section 53-06.1-14 of the North Dakota Century Code,
2 relating to distributors and manufacturers of games of chance.

3 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

4 **SECTION 1. AMENDMENT.** Section 53-06.1-14 of the North Dakota Century Code is
5 amended and reenacted as follows:

6 **53-06.1-14. Distributors and manufacturers.**

7 1. A manufacturer of pull tabs, bingo cards, ~~or~~ bingo card marking devices, or fifty-fifty
8 raffle systems shall apply annually for a license and pay a license fee of four thousand
9 dollars. A manufacturer of pull tab dispensing devices shall apply annually for a license
10 and pay a license fee of one thousand dollars. A distributor shall apply annually for a
11 license and pay a license fee of one thousand five hundred dollars. Application must
12 be made before the first day of April in each year on a form prescribed by the attorney
13 general.

14 2. A licensed distributor may not sell, market, or distribute gaming equipment except to a
15 licensed distributor, licensed organization, organization that has a permit, or other
16 person authorized by gaming rule or the attorney general. A manufacturer of a pull tab
17 dispensing device, pull tab, bingo card marking device, ~~or~~ bingo card, or fifty-fifty raffle
18 system may only sell, market, or distribute the manufacturer's pull tab dispensing
19 device and processing chip encoded with proprietary software, pull tab, bingo card
20 marking device, ~~or~~ bingo card, or fifty-fifty raffle system to a licensed distributor. A
21 licensed distributor may purchase or acquire a pull tab dispensing device and
22 processing chip encoded with proprietary software, pull tab, bingo card marking
23 device, ~~or~~ bingo card, or fifty-fifty raffle system only from a licensed manufacturer or
24 licensed distributor. However, a distributor may purchase or acquire a used pull tab

dispensing device or fifty-fifty raffle system from a licensed organization. A distributor may not duplicate a manufacturer's processing chip encoded with proprietary software. No gaming equipment or prize may be sold or leased at an excessive price.

3. A licensed distributor shall affix a North Dakota gaming stamp to each deal of pull tabs and bingo cards, raffle board, raffle event board, punchboard, sports pool board, calcutta board, poker board, and series of paddlewheel ticket cards sold or otherwise provided to a licensed organization and shall purchase the stamps from the attorney general for thirty-five cents each. Ten cents of each stamp sold by the attorney general, up to thirty-six thousand dollars per biennium, must be credited to the attorney general's operating fund to defray the costs of issuing and administering the gaming stamps.

4. A licensed organization, organization that has a permit, licensed manufacturer, or North Dakota wholesaler of liquor or alcoholic beverages may not be a distributor or stockholder of a distributor. A distributor may not be a stockholder of a manufacturer.

5. In addition to the license fee, the attorney general may require advance payment of any fee necessary to pay the cost of a record check of an applicant according to subdivision c of subsection 5 of section 53-06.1-06.

6. A licensed manufacturer may not refuse to sell deals of pull tabs or paper bingo cards to a licensed distributor unless:

- a. A specific deal of pull tabs is sold on an exclusive basis;
- b. The manufacturer does not sell deals of pull tabs or paper bingo cards to any distributor in the state;
- c. A gaming law or rule prohibits the sale;
- d. The distributor has not provided the manufacturer with proof of satisfactory credit or is delinquent on any payment owed to the manufacturer; or
- e. The distributor has not met the manufacturer's standard minimum order quantity and freight terms.